

JAPAN'S FINANCES
SHOW RECOVERYSpeculators and Profiteers
Chief Sufferers in Reaction—
Readjustment Under Way.

Japan has recently been experiencing a considerable financial reaction. Security and commodity quotations in the markets suddenly fell during April, inflicting enormous losses to speculators. As a consequence the stock and commodity exchanges were temporarily closed.

Fear was once felt in the financial circles of America that Japan, in order to relieve the financial stress at home, might withdraw her credit balances, which amount to over \$500,000,000, from New York and London. Latest reports

from Japan are, however, to the effect that the condition is quieting down and shows signs of speedy improvement. The causes of the financial trouble and the general situation are explained by the following message from Baron Takahashi, Minister of Finance, and the statement of Mr. Akira Den, Japanese Finance Minister to Mr. Den says: "At present there is a reaction against the wartime prosperity, which lasted for five years, and this is what everybody might have expected. Although some merchants, who carelessly increased their business and took advantage of the prosperity resulting from the war, have become involved in difficulties to some degree, there is no widespread bankruptcy yet, so the condition cannot be called a panic."

The message gives further assurance that "as the gold holdings in Japan are abundant and unprecedentedly large there is neither reason nor necessity for importing gold from the United States."

To this Mr. Den adds: "Japan is now passing through the throes of a drastic financial readjustment which was forced upon her as a result of over-speculation

and excessive foreign purchases of commodities, but her underlying economic position is sound. The present depression in Japan has hit speculators and profiteers chiefly. Late in March the peak of commodity prices was attained and since then the decline has been rapid."

"The Japanese Government is taking steps to discourage imports. The excess of imports over exports for the first three months of this year amounted to \$100,000,000, and the Government transferred during February and March \$500,000,000 of its foreign balances to Japanese banks to meet obligations resulting from this adverse trade balance."

"Sensing the situation, the Japanese banks declined to lend on speculative operations. Credit became stringent. The general condition was reflected by declining prices in the stock markets of Japan, where settlements are made monthly. Immediately and quietly instead of the day after the sale, as in this country. To protect sellers against the failure of buyers to accept deliveries on settlement days, when current prices may be much lower, the stock exchange authorities require buyers or their brokers to put up guarantees or margins."

"By the latest advice we learn that the bank depositors, impressed by the fact that other financial institutions banded together to protect the creditors of the one bank that was on the brink of failure, have been calm, and a run on the banks has been avoided, and, further, that the exchanges have opened on May 19th."

"The Guaranty Trust Company of New York has well gauged the whole situation when it says in its latest issue on 'American Goods and Foreign Markets':

"It is neither surprising nor on the whole undesirable that the adjustment should come at an early date and with a certain incisiveness; it clears the ground in Japan for the more orderly growth to which the country aspires and for which its undoubted adaptability furnishes excellent material."

Chosen Takes Up Flour Milling.
The manufacture of flour upon a large scale will be undertaken immediately in Keijo, Chosen, by the Chosen Flour Milling Company, which has purchased a tract of land for erection of new mills. This company has been operating successfully at Chinnampo for the last year.

HONGKONG UNEASY
OVER RICE MARKET

American Importers Establishing Direct Buying Agencies for Indo-China.

HONGKONG, May 18.—Considerable uneasiness is being shown by Hongkong rice merchants over the fact that important American importers of rice are establishing buying agencies in Saigon and Haiphong, with a view of buying their supplies of grain direct from the Indo-Chinese market instead of through the Hongkong market as heretofore.

In previous years supplies of rice in Hongkong have come not only from Indo-China but from Siam and Burma, and any attempt on the part of American importers to buy directly from these sources would have involved the establishment of agencies in Bangkok and Rangoon as well as in Indo-China.

With the Siam and Burmese governments prohibiting the export of rice, at least in this direction, this year, the problem of more direct trading has been greatly simplified. It is understood that large quantities of rice have been sold at Saigon for direct shipment to the United States and through the United States, or on order of American importers, direct to various Central American ports, and to Cuba.

It is unlikely that these direct shipments will continue indefinitely, however, for with the establishment of normal conditions in the rice trade of this part of the world, Hongkong will again become the entrepot, or converging center, for shipments of rice from all the producing countries of the Far East.

There is much more to the trade than the mere import and export of grain produced by other countries. The volume of rice coming into the port amounts to about a million tons annually. The greater part of this volume necessarily must be graded, cleaned and a large portion of it must be repacked for the special demands of various markets. Most of the rice comes to Hongkong

packed in single gunny bags of 160 catties or 212 1/2 pounds, a catty being 11-3 pounds. All the rice for the United States or Central or South America must be repacked in double gunny bags.

Most American importers ask for it in bags of 160 pounds each net. Some ask for it in bags of 240 pounds net. Some of the Central and South American markets ask for it in bags of metric system units—55 kilos or 121 pounds net, or 133 pounds gross, for example. Of course this work can be done elsewhere as well as in Hongkong, but the machinery of this great trade is here and it is unlikely that it will be abandoned except under stress of absolute necessity.

There is also the matter of comparative qualities to be considered. A very large portion of the rice exported to the United States and Central and South America from Hongkong is what is known as "usual" or "Siam usual" and consists of a mixture of Siam and Indo-Chinese rice, ordinarily about half and half. This grade of rice can not be shipped from Indo-China and in fact this particular mixture can not be shipped from anywhere during the current season.

In normal times, however, there is no other port in the Far East which, all things considered, is so conveniently situated and has the necessary trade machinery for the collection and distribution of the various grades and varieties of rice to make up these standard trade qualities as Hongkong.

BRITISH APPROVE
CLAIMS OF CHINA
Shanghai Chamber Takes Stand on Shantung.

SHANGHAI, May 18.—The British Chamber of Commerce of Shanghai, representing the bank of British interests in the Far East, has put itself on record as in favor of China's claims in the Shantung controversy. This is in line with action taken by American commercial organizations in China and is regarded as significant in view of the fact that a part of the English commercial enterprises in the Orient are linked with the Japanese.

"This chamber," declared A. W. Burkill, chairman of the British Chamber's directorate, in his address at the annual meeting, "is in full sympathy with China in her very natural desire to have control of this province returned to her."

"When one takes into consideration that Japan, in taking Teikow, was only doing her part as an ally, her present attitude is hard to understand."

"She is taking deliberate steps to control the whole of the land surrounding the harbor, docks, wharves and railroad terminals, and every obstacle is put in the way of other nationals of acquiring any property in what undoubtedly is the business center. This policy can only be construed in one way, viz., that Japan is not going to allow any other nation to have an opportunity of trading on fair and equal terms with her own nationals. None of us want any special consideration; all we ask for is to be allowed to do business on an equal footing."

Corean Banks Expand.
Even the banks in Corea are becoming democratic. The Hansung Bank, a Corean institution, has just removed its restriction that all stockholders be Corean and has accepted subscriptions from Japanese, Chinese and foreigners.

YOKOHAMA PLANS
MORE DOCK ROOM
New Harbor Will Accommodate Big Ships.

YOKOHAMA, May 18.—As rather more than 35 per cent. of the foreign trade of Japan is credited to Yokohama, the improvement of the facilities of the port play an important part in the proposed programme for city betterment. Plans are being considered for providing approximately 3,000 feet of extra docking space and for deepening the slips to an average depth of from 25 to 40 feet.

The new harbor will accommodate ships of 50,000 tons, and the wharfage facilities will be increased fourfold, so that ships will be able to discharge their cargoes with greater despatch. The estimated cost will be about \$7,000,000.

The present port includes the old customs compound, covering an area of about 640,350 square feet and containing two sheds and several storehouses, and the new customs compound, which is much larger. Its area being 4,556,000 square feet, including the new port and pier. It was completed in 1917 at a cost of \$5,000,000. The quay walls are 6,736 feet long, lighters' wharves 1,809 feet long and sea walls extending 1,433 feet.

There are eleven sheds covering 758,398 square feet and three wooden ones occupying 104,256 feet. In addition there are two three story brick warehouses occupying 49,194 square feet and containing steel milleries, elevators and other modern equipment.

The main railway line is connected with the quays by two lines and with the old customs compound by one. There is also a wide gauge line for about a mile along the quays for the use of the electric travelling cranes. The water depth on both sides of the pier has been dredged to 35 feet below the mean low water spring tide.

AUSTRALIAN NEWS.
MELBOURNE—Most of the steamers trading in Australian waters are being turned into oil burners, and the Anglo-Breton Oil Company has obtained permission to lay pipes in the chief wharves of many of the ocean cities, with the purpose of supplying fuel to the vessels. This will make for convenience in the respective cities, for company buys its oil abroad, but is about to undertake large operations for the development of the oil resources of Papua, which may eventually give the Commonwealth all the fuel oil it requires. At present most of Australia's oil is supplied by American concerns.

MELBOURNE—A request that the Federal Government amend the Federal Arbitration act so as to stipulate the number of hours that constitute a week's work has been made by the Chamber of Australian Manufacturers. This step came as a result of the agitation among the trade unions for a reduction of the working hours.

HOBART—The new Governor-General of Tasmania, Sir William Allardice, has arrived to take up his duties.

MELBOURNE—More than \$300,000,000 have been spent by the Commonwealth on returned soldiers and their dependents, according to Government estimates.

MELBOURNE—A convention to amend the Australian Federal Constitution will probably be called, announcement having been made by Prime Minister Hughes that Government intends to introduce a measure providing for such a convention.

MELBOURNE—No renewal of the British

Government's contract for the Australian wool supply, which terminates on June 30, 1920, is contemplated, according to authoritative information obtained here.

MELBOURNE—The Federal Capital League has offered, if the Commonwealth will grant the use of certain land to a syndicate, to build the Federal capital at an approximate cost of \$15,000,000 and give it to the nation free of cost.

MELBOURNE—The Pacific Islands granted Australia under a mandate will not be administered for the Commonwealth's material gain, but in the highest and best interest of the inhabitants of these islands, according to a speech made here by Minister of Works and Railways Brown.

SYDNEY—An offer to purchase the Commonwealth fleet of wooden steamers has been made by the Hongkong Mercantile Company. It is reported that the Federal Government is asking about \$400,000 each for the vessels, which were built in the United States.

SYDNEY—The establishment of telephone wires connections between this city and London within three months is the hope of E. T. Plater, managing director of the Australasian Wireless, Ltd., who believes that within two years it will be possible to put into operation such service on a commercial basis.

Hotels in Japan & Manchuria

Japan Hotel Association
In Japan Proper:
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KYOTO Kyoto Hotel Miyako Hotel
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MIYANOSHITA Fujiya Hotel
NARA Nara Hotel
NIKKO Kanaya Hotel Nikko Hotel

In Taiwan (Formosa):
TAIWAN RAILWAY HOTEL Taihoku
In Chosen:
CHOSEN HOTEL Keijo (Seoul)

OSAKA Osaka Hotel
SHIMONOSEKI San-yo Hotel
SHIZUOKA Daitokwan Hotel
TOKYO Imperial Hotel Tokyo Station Hotel Tsukiji Seiyoken Hotel
YOKOHAMA Grand Hotel

In Manchuria:
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